

STATE OF VERMONT

Review for Compliance with
Office of Management & Budget Circular A-133,
“Audits of States, Local Governments, and Non-Profit Organizations”

Note: The following checklist refers to audits conducted in accordance with OMB Circular A-133 and has not been updated for requirements of the Uniform Guidance.

Auditee: _____

Audit Period: _____

Conclusion:

In my opinion, this auditee:

[] has materially complied with OMB Circular A-133.

[] has not materially complied with OMB Circular A-133.

Signature of Reviewer _____

Date _____

CHECKLIST

The following checklist is meant as a guide to assist the reviewer in determining if the auditee has complied with the Office of Management and Budget (OMB) Circular A-133. The questions listed below are based on requirements included in OMB Circular A-133, generally accepted government auditing standards (GAGAS), and generally accepted accounting principles (GAAP). The checklist applies only to subrecipients that expend federal awards of at least \$300,000 per year (this threshold has been increased to \$500,000, effective for fiscal years ending after December 31, 2003) and are required to have an audit in accordance with OMB Circular A-133.

General

Table with 3 columns: Question, Yes, No, N/A. Row 1: Unless a longer period is previously agreed upon were the required reports submitted the earlier of: (a) no later than 9 months from the end of the audit period; or (b) no later than 30 days after the receipt of the auditor’s report(s) to the auditee? [A-133, §. 235 (c) (1) and §. 320 (a)]. Row 2: Does the audit cover only one year? If there was a biennial audit, have both years been audited and does the organization meet the restrictions on which organizations are allowed to have a biennial audit? [A-133, §. 220]

Yes No N/A

Auditor's Report on the Financial Statements

3. Is the auditor an independent licensed CPA or a public accountant licensed on or before December 31, 1970? [GAGAS, Yellow Book, §3.10, e. 2.] _____

Scope Paragraph

4. Does the report state that the audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS)? [Yellow Book, Section 5.11; A-133, §. 500 (e)]

5. Is the report free from any identified scope limitation? _____

6. If the auditor refers to the work of another auditor, does the report indicate the division of responsibility and the magnitude of the portion of the financial statements examined by the other auditor? _____

Opinion and Explanatory Paragraphs

7. If the financial statements are intended to be presented in accordance with GAAP, does the report contain an opinion on whether the financial statements present fairly, in all material respects, the financial position and the results of operations and are in conformity with GAAP? If not, does the report include an assertion that an opinion cannot be expressed? _____

8. If the financial statements are intended to be presented in accordance with another comprehensive basis of accounting:

A. Is there a separate explanatory paragraph or note which describes the basis of presentation and how the basis differs from GAAP? _____

B. Does the report contain a disclaimer on whether the financial statements are fairly presented in accordance with the basis of accounting described? _____

9. If a disclaimer of opinion is issued, are the reasons stated? _____

10. Are there separate explanatory paragraphs disclosing each substantive reason for withholding an unqualified opinion? _____

Schedule of Expenditures of Federal Awards

11. Does the Schedule of Expenditures of Federal Awards [A-133, §.310 (b)]:

- A. List individual federal programs by federal agency? List individual federal programs included in a cluster of programs, if applicable? List R&D total federal awards expended by either individual award or by federal agency and major subdivision within the federal agency? _____
- B. For federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity? _____
- C. Provide total awards expended for each individual federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available? _____
- D. Include notes that describe the significant accounting policies used in preparing the schedule? _____
- E. To the extent practical, identify the total amount from pass-through entities provided to subrecipients from each federal program? _____
- F. Include, in either the schedule or a note to the schedule, the value of federal awards expended in the form of noncash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year-end? _____

Audit Reporting

12. The auditor’s report(s) may be in either combined or separate reports. Does(Do) the report(s) include the following [A-133, §.235 (b) (4) and §.505]:

- A. An opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole? _____

	Yes	No	N/A
B. A report on internal control related to the financial statements and major programs? This report shall describe the scope of testing of internal control and the results of the tests, and, where applicable, refer to the separate schedule of findings and questioned costs.	_____	_____	_____
C. A report on compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements? Does this report also include an opinion as to whether the auditee complied with laws, regulations, and the provisions of contracts or grant agreements which could have a direct and material effect on each major program, and, where applicable, refer to the separate schedule of findings and questioned costs?	_____	_____	_____
D. A schedule of findings and questioned costs, which include the following three components:			
1) A summary of the auditor's results, which shall include:			
a) The type of report the auditor issued on the financial statements (i.e., unqualified, qualified, adverse, or disclaimer of opinion)?	_____	_____	_____
b) Where applicable, a statement that reportable conditions in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses?	_____	_____	_____
c) A statement as to whether the audit disclosed any noncompliance which is material to the financial statements of the auditee?	_____	_____	_____
d) Where applicable, a statement that reportable conditions in internal control over major programs were disclosed by the audit and whether any such conditions were material weaknesses?	_____	_____	_____
e) The type of report the auditor issued on compliance for major program (i.e., unqualified, qualified, adverse, or disclaimer of opinion)?	_____	_____	_____
f) A statement as to whether the audit disclosed any audit findings that the auditor is required to report?	_____	_____	_____

	Yes	No	N/A
g) An identification of major programs?	_____	_____	_____
h) The dollar threshold used to distinguish between Type A and Type B programs?	_____	_____	_____
i) A statement as to whether the auditee qualified as a low-risk auditee?	_____	_____	_____
2) Findings related to the financial statements that are required to be reported in accordance with GAGAS?	_____	_____	_____
3) Findings and questioned costs for federal awards?			
a) Are audit findings (e.g., internal control findings, compliance findings, questioned costs, or fraud) which relate to the same issue presented as a single audit finding?	_____	_____	_____
b) Are audit findings that relate to both the financial statements and federal awards reported in both sections of the schedule? (One schedule may be in summary form if the other is in detail.)	_____	_____	_____
E. Does the schedule of audit findings and questioned costs include:			
1) Reportable conditions in internal control over major programs? The auditor shall identify reportable conditions that are individually or cumulatively material weaknesses.	_____	_____	_____
2) Material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program?	_____	_____	_____
3) Known questioned costs and likely questioned costs that are greater than \$10,000 for a type of compliance requirement for a major program?	_____	_____	_____
4) Known questioned costs that are greater than \$10,000 for a federal program that is not audited as a major program but comes to the attention of the auditor?	_____	_____	_____

	Yes	No	N/A
5) The circumstances concerning why the auditor's report on compliance for major programs is other than an unqualified opinion, unless reported elsewhere?	_____	_____	_____
6) Known fraud affecting a federal award unless such fraud is otherwise reported as an audit finding in the schedule of findings and questioned costs for federal awards?	_____	_____	_____
7) Instances where the results of audit follow-up procedures disclosed that the summary schedule of prior audit findings prepared by the auditee materially misrepresents the status of any prior audit findings?	_____	_____	_____
8) Do audit findings include the following, if applicable: (a) federal award identification (such as a CFDA number); (b) criteria for finding; (c) condition found; (d) identification of questioned costs and how computed; (e) information for judging prevalence and consequences of findings; (f) cause; (g) recommendations; (h) views of responsible officials?	_____	_____	_____

Summary Schedule of Prior Audit Findings

13. The summary schedule of prior audit findings shall report the status of all audit findings included in the prior audit's schedule of findings and questioned costs relative to federal awards. [A-133, §.315 (b)]	_____	_____	_____
A. When audit findings were fully corrected, does the summary schedule list the audit findings and state that corrective action was taken?	_____	_____	_____
B. When audit findings were not corrected or were partially corrected, does the summary schedule describe the planned corrective action as well as any partial corrective action taken?	_____	_____	_____
C. When corrective action taken is significantly different from corrective action previously reported in a corrective action plan or in the federal agency's or pass-through entity's management decision, does the summary schedule provide an explanation?	_____	_____	_____

Yes No N/A

D. When the auditee believes the audit findings are no longer valid or do not warrant further action, are the reasons for this position described in the summary schedule? (See A-133 for valid reason requirements.)

E. Does the schedule also include audit findings reported in the prior audit’s summary schedule of prior audit findings unless not warranted? [A-133, §.315 (b)]

Corrective Action

14. Has the auditee prepared a corrective action plan to address each audit finding included in the current year auditor’s reports? [A-133, §.315 (c)]

15. Does the corrective action plan provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date? [A-133, §. 315 (c)]

16. If the auditee does not agree with the audit findings or believes corrective action is not required, does the corrective action plan include an explanation and specific reasons? [A-133, §. 315 (c)]

Management Decision

17. Have adequate management decisions been issued concerning all audit findings within six months after receipt of subrecipient’s audit report? Each individual state agency that passes federal funds to a subrecipient is required to issue a management decision concerning any related audit findings. If an audit finding affects programs of more than one federal agency, the audit agency is responsible for coordinating a management decision among the separate agencies. Management decisions shall clearly state whether the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action. Audit findings shall include the reference numbers assigned by the auditor. [A-133, §. 315 (b); §. 400(c) (5); §. 400 (d) (5); and §. 405]

18. Has subrecipient taken appropriate and timely corrective action concerning each audit finding? [A-133, §. 400 (d) (5)]
